

**FY 2010**

**APPLICATION INSTRUCTIONS FOR  
INTERCITY CAPITAL PROGRAM**

**BUREAU OF PASSENGER TRANSPORTATION**



## **I. PROGRAM DESCRIPTION**

The purpose of the Michigan Department of Transportation's (MDOT's) Intercity Capital Program is to enhance intercity travel for the citizens of Michigan by providing capital assistance to private intercity carriers. The program priorities, in order of importance, are to maintain existing service, and provide for the expansion of or service improvement to new and existing routes.

## **II. PROGRAM CRITERIA**

### **A. Buses**

All requests for bus replacement or spare buses must have met their useful life by October 1, 2010.

- The procurement of buses are:
  - State funded
  - Subject to legislative appropriations each year.
  - Buses will be provided to carriers for an annual per bus fee of \$1000
- All buses purchased under this program must be accessible in conformance with the Americans with Disabilities Act of 1990.
- Requests for reserve or spare buses (buses rotated regularly to support the day to day service) will be based on 20 percent of the current fleet operating regular route service within the State of Michigan
- Program goals, carrier eligibility, and other requirements are detailed in the Intercity Bus Program Guidelines, dated February 22, 2001, found in Attachment A.
- MDOT requires the carrier to submit a proposed procurement package that supports the application for buses which includes:
  - Documentation of all quotes solicited and copies of all quotes received.
  - Disclosure of all negotiated special pricing arrangements with the recommended manufacturer.
  - Documentation that the recommended manufacturer will comply with MDOT's purchasing practices for intercity buses.
  - A brief explanation if none of the quotes sought by the carrier are from manufacturers from which the carrier routinely purchases similar buses.

- A signed letter from the carrier and the manufacturer to participate in a pre-award audit if required by MDOT.
- The carrier's recommendation and justification on the most responsive quote, including a brief explanation on how the recommended buses compare to the carrier's existing fleet.

Requests for expansion bus(es) will be evaluated using the following criteria:

1. Ability of the service to connect with the statewide/national intercity network; other intercity carriers; local transit; AMTRAK; and/or airports.
2. Ability of the routes to serve Michigan communities.
3. Potential Ridership.
4. If applicable, past experience of the route being proposed.
5. Quality of the information submitted in the proposal based on completeness, relevance, conciseness, and organization.

Technical assistance in preparing the intercity capital application or questions about the Intercity Capital Program related to bus procurement can be obtained by contacting:

David O. Sucha, Supervisor  
Michigan Department of Transportation  
Bureau of Passenger Transportation  
Regulatory Unit  
P.O. Box 30050  
Lansing Michigan 48909  
(517) 335-2565 or e-mail [suchad@michigan.gov](mailto:suchad@michigan.gov)

The application is due to the above address by **February 1, 2009**.

## **B. Terminals and Other Capital Equipment**

Eligible applicants include governmental agencies, private nonprofit organizations, Indian Tribes and groups, and private for-profit intercity operators of public transportation services.

Terminal improvements and other capital equipment replacement requests will be evaluated using the following criteria:

- All capital equipment replacement requests must have met its useful life by October 1, 2010.
- All requests must maintain or improve efficiency, effectiveness, and safety of the service provided to the general public.

- Requests must include a complete list of the proposed improvements or capital item(s), including related cost(s).
- Requests less than \$300 are ineligible.

Technical assistance in preparing the intercity capital application or questions about the Intercity Bus Capital Program for Terminal and Other Capital Equipment can be obtained by contacting:

Rob Pearson, Project Manager  
Michigan Department of Transportation  
Bureau of Passenger Transportation  
P.O. Box 30050  
Lansing, Michigan 48909  
(517) 335-2572 or e-mail [PearsonR1@michigan.gov](mailto:PearsonR1@michigan.gov)

The application is due to the above address by **February 1, 2009**.

### **III. APPLICATION REQUIREMENTS**

The following items are required in your application. For the applicant's convenience, Attachment B contains a list of the items required.

- A. Title Page - Grant Application Title Page. (Attachment C.)
- B. Proof of Certificate of Authority - Documentation that the applicant is an eligible applicant having operated under a Michigan Certificate of Authority, issued pursuant to Act 432 of 1982, the Motor Transportation Act, as amended, for a period of two years. This certificate is only required for vehicle requests.
- C. Authorizing Letter - A company letter signed by an authorized company representative that names an official representative of the applicant who is authorized to provide information that is required by MDOT.
- D. Proof of Public Notice - Evidence that public notice has been given to citizens affected by this transportation program. Proof of publication in a newspaper of general circulation will be accepted. (Attachment D)
- E. Capital Requests with Justification - Written justification supporting the need of each item requested. (Attachment E.)
- F. Vehicle Maintenance Plan - A copy - for vehicle requests only.
- G. Vehicle Inventory - Complete inventory of state owned vehicles within your present fleet- for vehicle requests only. (Attachment F.)

## **ATTACHMENT A**

### **INTERCITY CAPITAL PROGRAM GUIDELINES**

**February 22, 2001**

#### **PROGRAM GOALS**

The purpose of the Intercity Capital program is to enhance intercity bus travel for the citizens of Michigan by providing capital and operating assistance to private intercity bus carriers. No publicly-funded transit authority/agency is eligible for this program.

The program goals are as follows:

- Meet customer long distance travel needs.
- Provide safe, accessible, up-to-date buses and terminals for the traveling public.
- Provide connection between communities as well as with the national bus system.
- Increase coordination with local transit agencies to improve intermodal ridership.
- Build partnerships with all other transportation modes.
- Incorporate objectives and strategies relating to intercity bus services included in the Michigan Transit Strategic Plan.
- Secure federal funds to the extent possible to support the intercity capital program.
- Establish a process whereby annual applications for funding are submitted by March 1st of each year for the next fiscal year.

#### **A. Buses**

- **Eligibility**

Carriers must have operated under a Certificate of Authority in accordance with Public Act 432 of 1982, as amended, for the period of two years to apply for a bus from the capital program.

A carrier in bankruptcy or court approved reorganization shall not be eligible to apply for buses under this program for a minimum of two years and until the company can exhibit financial stability and capability to meet the terms and conditions of this program. Any court ordered stipulations regarding a carrier must be followed. When a carrier is coming out of bankruptcy or court approved reorganization, MDOT may conduct a final review of the carrier's financial records to ensure that any liability or tax obligation has been met.

A carrier that has operated service or equipment under contractual agreement with MDOT must have done so with no penalties imposed. The carrier shall remain ineligible for two years from the date of any such penalty being imposed.

- **Procurement**

Full size intercity buses that are purchased as part of this program will be eligible for replacement when six years or 450,000 miles have been accumulated. In the case of a leased bus, the lease arrangement defined in the contract will be followed. For other types of buses, MDOT's replacement schedule will be used.

No carrier is eligible for more than five buses per year, unless otherwise approved by MDOT. Reserve or spare buses which do not exceed 20 percent of the fleet being used for regular route service within the State of Michigan will be permitted. All intercity buses purchased or leased under this program shall be accessible in conformance with the Americans with Disabilities Act (ADA) of 1990.

Buses purchased or leased through this program are restricted to regular-route service that originates at, or is destined to, points in Michigan. For regular-route service outside of Michigan the following destinations are allowed: Duluth and Milwaukee for the upper peninsula service and Chicago and Toledo for the lower peninsula service. Other points outside of Michigan will be considered upon request and must have prior approval of MDOT. Round trip service out-of-state must be completed within 24 hours. Equipment maintenance locations, both in-state and out-of-state, will be specified by the capital equipment grant contract.

Regular route service must operate at least five days per week and in excess of 150 miles per day. The use of intercity buses for charters, sightseeing tours, school bus, park and ride, or contract operations will not be permitted. In addition, airport or limousine services that are on-call, on-demand, or reservation actuated, are not eligible for intercity buses under this program.

The carrier is responsible for obtaining three competitive quotes on buses to be purchased. Buses selected will be based on the specifications developed jointly by MDOT and the carriers. MDOT, in conjunction with the carrier, shall select the most responsive bidder. Qualifying factors include the carrier's fleet, parts inventory, training of personnel, and resale value of the bus.

Buses will be provided to qualified carriers for an annual per bus fee established by MDOT. The carrier shall be responsible for all other operating costs such as license fees, regulatory costs or permit fees, maintenance, and insurance. Quarterly maintenance and mileage reports must be submitted to MDOT using its maintenance program requirements. The insurance coverage, as required by state and federal law, shall indemnify and hold harmless the State, the State Transportation Commission MDOT, and all officers, agents, and employees thereof. Required coverage shall also include risk for physical loss or damage to the buses.

MDOT shall collect a security deposit in the form of cash or an irrevocable letter of credit from the carrier equal to two percent of the original bus purchase price. If the bus is returned to MDOT, the deposit shall be used for any repairs necessary to return the bus to its original condition, less reasonable wear and tear. The security deposit shall not be considered an asset of the carrier. MDOT shall not be required to pay interest on the security deposit. The security deposit, or remaining balance, will be returned to the carrier upon final acceptance of an intercity bus returned to MDOT.

## **B. Terminals and Other Capital Equipment**

Passenger terminals will be designed to ensure the smooth flow of passengers and to minimize maintenance and operating costs. Terminal projects will be coordinated with affected local transit agencies, intercity bus carriers, and other modes of travel, such as passenger trains. Terminals will be constructed to respond to local area transportation needs, as well as the needs of intercity bus carriers. The terminal design will incorporate ADA standards. Efforts will be made to involve intercity bus carriers in the planning and construction phases of new facilities.

Rental rates for the use of publicly owned terminals are on a negotiated basis between the carriers and the entity responsible for its operation. MDOT recommends that the rental rate be based on a pro-rated share of expenses incurred to operate the building. If deemed necessary, MDOT is willing to mediate rental agreements between the carriers and local transit agencies.

Space can be rented for vendor services, such as concession stands. Fees for short-term and long-term parking can also be assessed. Revenues generated must be accounted for separately and be used for the operation and maintenance of the facility, including driveways and parking lots.

Other capital will be evaluated as part of the annual Intercity Capital Program application process. Items such as computers, shelters, marketing funds, and requests for studies will be considered.

### **SERVICE DEVELOPMENT OPERATING REQUESTS**

Service Development Operating Requests will be evaluated as part of the annual Intercity Service Development Operating Program process.



**ATTACHMENT B**  
**FY 2010 INTERCITY CAPITAL PROGRAM**  
**CHECKLIST**

The following items must be included with the application:

1. Title Page - Grant Application Title Page (Attachment C)
2. Proof of Certificate of Authority
3. Authorizing Letter
4. Proof of Public Notice (Attachment D)
5. Capital Requests with Justifications (Attachment E)
6. Vehicle Maintenance Plan (for vehicle requests only)
7. Vehicle Inventory (Attachment F – for vehicle requests only)

## ATTACHMENT C

# TITLE PAGE

**FY 2010  
INTERCITY CAPITAL PROGRAM  
GRANT APPLICATION**

1. Name of Applicant
2. Contact Person
3. Address City Zip code
4. Phone Number: Fax Number:  
Email Address:
5. Service area covered by this application:

I certify that the information contained in this application is true and complete to the best of my knowledge.

Signature of Transportation Coordinator

Printed/Typed

Date: Title

**ATTACHMENT D**

**SAMPLE**

**PUBLIC NOTICE**

**<CARRIER NAME>**

**PROPOSED APPLICATION FOR CAPITAL ASSISTANCE**

All citizens are advised that <carrier name> has prepared an application for State of Michigan financial assistance as required under Act 51 of the Public Acts of 1951, as amended.

The proposed application is on file at <carrier name><address>, and may be reviewed during a 30-day period ending <date>, between the hours of 8:00 a.m. and 5:00 p.m.

Written comments are invited on the application. Alternatively, any citizen may request, in writing, that a formal hearing be held concerning social, economic, and environmental effects of these proposals. Written comments or written requests should be received on or before <date>.

Comments should be mailed to <carrier name and full address>.

Return to MDOT

ATTACHMENT E

FY 2010 INTERCITY CAPITAL REQUESTS\*

Name of Intercity Carrier :

Proposed Improvement Description (Include quantity, size, options etc.)	**Replacement, Expansion, or Spare	Federal	State	Local	Total Cost
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\* Provide justification for your requests on a separate sheet.

\*\* Applies to vehicle requests.

Intercity Capital

## ATTACHMENT F

FY 2010 BUS VEHICLE INVENTORY  
(State Owned)

Name of Intercity Carrier:

Number of buses needed for regular route service within Michigan \_\_\_\_\_ Number of spare buses \_\_\_\_\_

Model Year & Body/Chassis Type	Bus Serial No. (V.I.N.)	State Number	Seating Capacity	Lift Equipped	Mileage as of 1/1/2009	In Service Date
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Total Number of Buses: \_\_\_\_\_

Number of Lift/Ramp Equipped Buses: \_\_\_\_\_

**NOTE:** Buses to be replaced in this application should be identified with an asterisk. If buses have been approved for replacement previously, indicate the application year of the request.